

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02886A  
Kohl's Ranch Water Company  
2111 East Highland Ave. Suite 210  
Phoenix AZ 850160000

**RECEIVED**

APR 05 2004

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

|    |    |      |
|----|----|------|
| 12 | 31 | 2003 |
|----|----|------|

FOR COMMISSION USE

|       |    |
|-------|----|
| Ann04 | 03 |
|-------|----|

## COMPANY INFORMATION

**Company Name (Business Name)** Kohl's Ranch Water Company

**Mailing Address** Business Office: 2111 East Highland Avenue, Suite 210  
(Street)

Phoenix AZ 85016  
(City) (State) (Zip)

602-957-2777 602-957-2780 602-432-6549  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** jholbrook@ilxresorts.com

**Local Office Mailing Address** Hc@ Box 96-K  
(Street)

Payson AZ 85541  
(City) (State) (Zip)

928-478-4211 928-478-0353 N/A  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** sadams@ilxresorts.com

## MANAGEMENT INFORMATION

**Management Contact:** John B. Holbrook Vice President  
(Name) (Title)

2111 East Highland Avenue, Suite 210 Phoenix AZ 85016  
(Street) (City) (State) (Zip)

602-957-2777 602-957-2780 602-432-6549  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** jholbrook@ilxresorts.com

**On Site Manager:** Steve Adams  
(Name)

Kohl's Ranch, 17 miles east on Highway 260 at Payson, Arizona 85541  
(Street) (City) (State) (Zip)

928-478-4211 928-478-0353 N/A  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** sadams@ilxresorts.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Nancy J. Stone  
(Name)

2111 East Highland Avenue, Suite 210, Phoenix AZ 85016  
(Street) (City) (State) (Zip)

602-957-2777 602-957-2780 N/A  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE          | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ          | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO          | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ      | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE       |                                   |                                   |

**UTILITY PLANT IN SERVICE**

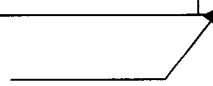
| <b>Acct.<br/>No.</b> | <b>DESCRIPTION</b>                        | <b>Original<br/>Cost (OC)</b> | <b>Accumulated<br/>Depreciation<br/>(AD)</b> | <b>O.C.L.D.<br/>(OC less AD)</b> |
|----------------------|---|-------------------------------|--|----------------------------------|
| 301                  | Organization                              | --                            | --   | --                               |
| 302                  | Franchises                                | --                            | --   | --                               |
| 303                  | Land and Land Rights                      | --                            | --   | --                               |
| 304                  | Structures and Improvements               | --                            | --   | --                               |
| 307                  | Wells and Springs                         | 2,000.70                      | 2,000.70                                     | --                               |
| 311                  | Pumping Equipment                         | 35,465.72                     | 33,150.49                                    | 2,315.23                         |
| 320                  | Water Treatment Equipment                 | 6,199.25                      | 6,199.25                                     | --                               |
| 330                  | Distribution Reservoirs and<br>Standpipes | --                            | --   | --                               |
| 331                  | Transmission and Distribution Mains       | 12,658.00                     | 11,467.12                                    | 1,190.88                         |
| 333                  | Services                                  | --                            | --   | --                               |
| 334                  | Meters and Meter Installations            | 5,420.00                      | 5,420.00                                     | --                               |
| 335                  | Hydrants                                  | --                            | --   | --                               |
| 336                  | Backflow Prevention Devices               | --                            | --   | --                               |
| 339                  | Other Plant and Misc. Equipment           | --                            | --   | --                               |
| 340                  | Office Furniture and Equipment            | 150.00                        | 150.00                                       | --                               |
| 341                  | Transportation Equipment                  | 1,000.00                      | 1,000.00                                     | --                               |
| 343                  | Tools, Shop and Garage Equipment          | 3,133.19                      | 2,894.21                                     | 238.98                           |
| 344                  | Laboratory Equipment                      | --                            | --   | --                               |
| 345                  | Power Operated Equipment                  | --                            | --   | --                               |
| 346                  | Communication Equipment                   | --                            | --   | --                               |
| 347                  | Miscellaneous Equipment                   | 6,875.17                      | 6,791.05                                     | 84.12                            |
| 348                  | Other Tangible Plant                      | 300.00                        | 300.00                                       | --                               |
|                      | <b>TOTALS</b>                             | 73,202.03                     | 69,372.82                                    | 3,829.21                         |

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct.<br>No. | DESCRIPTION                            | Original<br>Cost (1) | Depreciation<br>Percentage<br>(2) | Depreciation<br>Expense<br>(1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301          | Organization                           | --                   | --                                | --                               |
| 302          | Franchises                             | --                   | --                                | --                               |
| 303          | Land and Land Rights                   | --                   | --                                | --                               |
| 304          | Structures and Improvements            | --                   | --                                | --                               |
| 307          | Wells and Springs                      | 2,000.70             | .46                               | 915.89                           |
| 311          | Pumping Equipment                      | 35,465.72            | .04                               | 1,389.12                         |
| 320          | Water Treatment Equipment              | 6,199.25             | --                                | --                               |
| 330          | Distribution Reservoirs and Standpipes | --                   | --                                | --                               |
| 331          | Transmission and Distribution Mains    | 12,658.00            | .02                               | 285.82                           |
| 333          | Services                               | --                   | --                                | --                               |
| 334          | Meters and Meter Installations         | 5,420.00             | --                                | --                               |
| 335          | Hydrants                               | --                   | --                                | --                               |
| 336          | Backflow Prevention Devices            | --                   | --                                | --                               |
| 339          | Other Plant and Misc. Equipment        | --                   | --                                | --                               |
| 340          | Office Furniture and Equipment         | 150.00               | --                                | --                               |
| 341          | Transportation Equipment               | 1,000.00             | --                                | --                               |
| 343          | Tools, Shop and Garage Equipment       | 3,133.19             | .05                               | 143.39                           |
| 344          | Laboratory Equipment                   | --                   | --                                | --                               |
| 345          | Power Operated Equipment               | --                   | --                                | --                               |
| 346          | Communication Equipment                | --                   | --                                | --                               |
| 347          | Miscellaneous Equipment                | 6,875.17             | .02                               | 162.76                           |
| 348          | Other Tangible Plant                   | 300.00               | --                                | --                               |
|              | <b>TOTALS</b>                          | <b>73,202.03</b>     | <b>.59</b>                        | <b>2,896.98</b>                  |

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.



**BALANCE SHEET**

| <b>Acct<br/>.No.</b> |   | <b>BALANCE AT<br/>BEGINNING OF<br/>YEAR</b> | <b>BALANCE AT<br/>END OF<br/>YEAR</b> |
|----------------------|---|---|---------------------------------------|
|                      | <b>ASSETS</b>                               |   |                                       |
|                      |   |   |                                       |
|                      | <b>CURRENT AND ACCRUED ASSETS</b>           |   |                                       |
| 131                  | Cash  | \$ 5,426.84                                 | 3,627.35                              |
| 134                  | Working Funds                               | --  | --                                    |
| 135                  | Temporary Cash Investments                  | --  | --                                    |
| 141                  | Customer Accounts Receivable                | 4,181.19                                    | 432.87                                |
| 146                  | Notes/Receivables from Associated Companies | --  | --                                    |
| 151                  | Plant Material and Supplies                 | --  | --                                    |
| 162                  | Prepayments                                 | --  | 1,462.00                              |
| 174                  | Miscellaneous Current and Accrued Assets    | --  | --                                    |
|                      | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 9,608.03                                 | \$ 5,522.22                           |
|                      |   |   |                                       |
|                      | <b>FIXED ASSETS</b>                         |   |                                       |
| 101                  | Utility Plant in Service                    | \$ 73,202.03                                | \$ 73,202.03                          |
| 103                  | Property Held for Future Use                | --  | --                                    |
| 105                  | Construction Work in Progress               | --  | --                                    |
| 108                  | Accumulated Depreciation – Utility Plant    | (66,475.84)                                 | (69,372.82)                           |
| 121                  | Non-Utility Property                        | --  | --                                    |
| 122                  | Accumulated Depreciation – Non Utility      | --  | --                                    |
|                      | <b>TOTAL FIXED ASSETS</b>                   | \$ 6,726.19                                 | \$ 3,829.21                           |
|                      |   |   |                                       |
|                      | <b>TOTAL ASSETS</b>                         | \$ 16,334.22                                | \$ 9,351.43                           |

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

| Acct.<br>No. |   | BALANCE AT<br>BEGINNING OF<br>YEAR | BALANCE AT<br>END OF<br>YEAR |
|--------------|---|------------------------------------|------------------------------|
|              | <b>LIABILITIES</b>                                |                                    |                              |
|              | <b>CURRENT LIABILITES</b>                         |                                    |                              |
| 231          | Accounts Payable                                  | \$ 721.54                          | 713.35                       |
| 232          | Notes Payable (Current Portion)                   | --                                 | --                           |
| 234          | Notes/Accounts Payable to Associated Companies    | 50,794.05                          | 43,338.19                    |
| 235          | Customer Deposits                                 | --                                 | --                           |
| 236          | Accrued Taxes                                     | --                                 | --                           |
| 237          | Accrued Interest                                  | --                                 | --                           |
| 241          | Miscellaneous Current and Accrued Liabilities     | 504.63                             | 985.89                       |
|              | <b>TOTAL CURRENT LIABILITIES</b>                  | \$ 52,020.22                       | \$ 45,037.43                 |
|              | <b>LONG-TERM DEBT (Over 12 Months)</b>            |                                    |                              |
| 224          | Long-Term Notes and Bonds                         | \$ --                              | \$ --                        |
|              | <b>DEFERRED CREDITS</b>                           |                                    |                              |
| 251          | Unamortized Premium on Debt                       | \$ --                              | \$ --                        |
| 252          | Advances in Aid of Construction                   | --                                 | --                           |
| 255          | Accumulated Deferred Investment Tax Credits       | --                                 | --                           |
| 271          | Contributions in Aid of Construction              | --                                 | --                           |
| 272          | Less: Amortization of Contributions               | --                                 | --                           |
| 281          | Accumulated Deferred Income Tax                   | --                                 | --                           |
|              | <b>TOTAL DEFERRED CREDITS</b>                     | \$ --                              | \$ --                        |
|              | <b>TOTAL LIABILITIES</b>                          | \$ 52,020.22                       | \$ 45,037.43                 |
|              | <b>CAPITAL ACCOUNTS</b>                           |                                    |                              |
| 201          | Common Stock Issued                               | \$ (2,250.00)                      | \$ (2,250.00)                |
| 211          | Paid in Capital in Excess of Par Value            | (40,628.97)                        | (40,628.97)                  |
| 215          | Retained Earnings                                 | 7,192.97                           | 7,192.97                     |
| 218          | Proprietary Capital (Sole Props and Partnerships) | --                                 | --                           |
|              | <b>TOTAL CAPITAL</b>                              | \$ (35,686.00)                     | \$ (35,686.00)               |
|              | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 16,334.22                       | \$ 9,351.43                  |

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| <b>Acct.<br/>No.</b> | <b>OPERATING REVENUES</b>                 | <b>PRIOR YEAR</b> | <b>CURRENT YEAR</b> |
|----------------------|---|-------------------|---------------------|
| 461                  | Metered Water Revenue                     | \$ 11,604.26      | \$ 11,428.10        |
| 460                  | Unmetered Water Revenue                   | --                | --                  |
| 474                  | Other Water Revenues                      | --                | --                  |
|                      | <b>TOTAL REVENUES</b>                     | \$ 11,604.26      | \$ 11,428.10        |
|                      |   |                   |                     |
|                      | <b>OPERATING EXPENSES</b>                 |                   |                     |
| 601                  | Salaries and Wages                        | \$ 39,609.15      | \$ 37,411.52        |
| 610                  | Purchased Water                           | --                | --                  |
| 615                  | Purchased Power                           | 161.48            | 160.20              |
| 618                  | Chemicals                                 | 519.19            | 117.39              |
| 620                  | Repairs and Maintenance                   | 7,264.83          | 1,281.66            |
| 621                  | Office Supplies and Expense               | 288.84            | 54.79               |
| 630                  | Outside Services                          | 15,348.47         | 5,477.25            |
| 635                  | Water Testing                             | 4,655.00          | 5,860.00            |
| 641                  | Rents                                     | --                | --                  |
| 650                  | Transportation Expenses                   | --                | --                  |
| 657                  | Insurance – General Liability             | --                | --                  |
| 659                  | Insurance - Health and Life               | --                | --                  |
| 666                  | Regulatory Commission Expense – Rate Case | --                | --                  |
| 675                  | Miscellaneous Expense                     | 880.65            | 1,013.30            |
| 403                  | Depreciation Expense                      | 2,897.00          | 2,896.98            |
| 408                  | Taxes Other Than Income                   | 2,612.87          | 3,034.43            |
| 408.11               | Property Taxes                            | 685.35            | 609.40              |
| 409                  | Income Tax                                | 50.00             | 50.00               |
|                      | <b>TOTAL OPERATING EXPENSES</b>           | \$ 74,972.83      | \$ 57,966.92        |
|                      |   |                   |                     |
|                      | <b>OPERATING INCOME/(LOSS)</b>            | \$ (63,368.57)    | \$ (46,538.82)      |
|                      |   |                   |                     |
|                      | <b>OTHER INCOME/(EXPENSE)</b>             |                   |                     |
| 419                  | Interest and Dividend Income              | \$ --             | \$ --               |
| 421                  | Non-Utility Income                        | --                | --                  |
| 426                  | Miscellaneous Non-Utility Expenses        | --                | --                  |
| 427                  | Interest Expense                          | --                | --                  |
|                      | <b>TOTAL OTHER INCOME/(EXPENSE)</b>       | \$ --             | \$ --               |
|                      |   |                   |                     |
|                      | <b>NET INCOME/(LOSS)</b>                  | \$ (63,368.57)    | \$ (46,538.82)      |



**COMPANY NAME** Kohl's Ranch Water Company

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

|                        | <b>LOAN #1</b> | <b>LOAN #2</b> | <b>LOAN #3</b> | <b>LOAN #4</b> |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued            | NONE           |                |                |                |
| Source of Loan         |                |                |                |                |
| ACC Decision No.       |                |                |                |                |
| Reason for Loan        |                |                |                |                |
| Dollar Amount Issued   | \$             | \$             | \$             | \$             |
| Amount Outstanding     | \$             | \$             | \$             | \$             |
| Date of Maturity       |                |                |                |                |
| Interest Rate          | %              | %              | %              | %              |
| Current Year Interest  | \$             | \$             | \$             | \$             |
| Current Year Principle | \$             | \$             | \$             | \$             |

Meter Deposit Balance at Test Year End                      \$                      N/A

Meter Deposits Refunded During the Test Year                      \$                      N/A

**COMPANY NAME** Kohl's Ranch Water Company

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

| <b>ADWR ID<br/>Number*</b> | <b>Pump<br/>Horsepower</b> | <b>Pump Yield<br/>(gpm)</b> | <b>Casing<br/>Depth<br/>(Feet)</b> | <b>Casing<br/>Diameter<br/>(Inches)</b> | <b>Meter Size<br/>(inches)</b> | <b>Year<br/>Drilled</b> |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

| <b>Name or Description</b> | <b>Capacity<br/>(gpm)</b> | <b>Gallons Purchased or Obtained<br/>(in thousands)</b> |
|----------------------------|---------------------------|---|
| Flowing Spring             |                           |   |
|                            |                           |   |

| <b>BOOSTER PUMPS</b> |                 | <b>FIRE HYDRANTS</b>     |                       |
|----------------------|-----------------|--------------------------|-----------------------|
| <b>Horsepower</b>    | <b>Quantity</b> | <b>Quantity Standard</b> | <b>Quantity Other</b> |
| 1.5 hp               | 1               |                          |                       |
|                      |                 |                          |                       |
|                      |                 |                          |                       |
|                      |                 |                          |                       |

| <b>STORAGE TANKS</b> |                 | <b>PRESSURE TANKS</b> |                 |
|----------------------|-----------------|-----------------------|-----------------|
| <b>Capacity</b>      | <b>Quantity</b> | <b>Capacity</b>       | <b>Quantity</b> |
|                      |                 |                       |                 |
|                      |                 |                       |                 |
|                      |                 |                       |                 |
|                      |                 |                       |                 |

**COMPANY NAME** Kohl's Ranch Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

| Size (in inches) | Material   | Length (in feet) |
|------------------|------------|------------------|
| 2                | Galvanized | 2,000 est.       |
| 3                | Cement     | 10,000 est.      |
| 4                |            |                  |
| 5                |            |                  |
| 6                |            |                  |
| 8                |            |                  |
| 10               |            |                  |
| 12               |            |                  |
| 1                | Galvanized |                  |
|                  |            |                  |
|                  |            |                  |
|                  |            |                  |
|                  |            |                  |

**CUSTOMER METERS**

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4        |          |
| 3/4              |          |
| 1                | 133      |
| 1 1/2            |          |
| 2                |          |
| Comp. 3          |          |
| Turbo 3          |          |
| Comp. 4          |          |
| Tubo 4           |          |
| Comp. 6          |          |
| Tubo 6           |          |
|                  |          |
|                  |          |

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

Chlorination pumps (2)

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**STRUCTURES:**

Chlorination room – block and frame

Filter room – frame

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**OTHER:**

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**COMPANY NAME:** Kohl's Ranch Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

| <b>MONTH</b>     | <b>NUMBER OF CUSTOMERS</b> | <b>GALLONS SOLD</b> | <b>GALLON PUMPED (Thousands)</b> |
|------------------|----------------------------|---------------------|----------------------------------|
| <b>JANUARY</b>   | 123                        | 402,150             | Gravity Flow                     |
| <b>FEBRUARY</b>  | 123                        | 404,300             | "                                |
| <b>MARCH</b>     | 123                        | 526,730             | "                                |
| <b>APRIL</b>     | 123                        | 494,470             | "                                |
| <b>MAY</b>       | 123                        | 706,287             | "                                |
| <b>JUNE</b>      | 123                        | 1,211,960           | "                                |
| <b>JULY</b>      | 123                        | 1,009,680           | "                                |
| <b>AUGUST</b>    | 123                        | 654,110             | "                                |
| <b>SEPTEMBER</b> | 123                        | 535,390             | "                                |
| <b>OCTOBER</b>   | 123                        | 453,220             | "                                |
| <b>NOVEMBER</b>  | 123                        | 314,990             | "                                |
| <b>DECEMBER</b>  | 123                        | 224,250             | "                                |
| <b>TOTAL</b>     |                            | <b>N/A</b>          |                                  |

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

☐ Yes ☒ No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

☐ Yes ☒ No

**If yes, provide the GPCPD amount:** \_\_\_\_\_

**What is the level of arsenic for each well on your system.** <.0050 mg/l

*(If more than one well, please list each separately.)*

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

**COMPANY NAME** \_\_\_\_\_ **Kohl's Ranch Water Company** \_\_\_\_\_ **YEAR ENDING 12/31/2003**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ \_\_\_\_\_ **609.40** \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

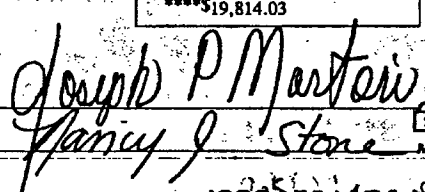
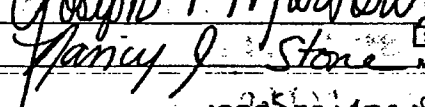
If no property taxes paid, explain why. \_\_\_\_\_

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|  |   |
|--|---|
| 2.2002/ 27614 27649 27651 27653 27650 28803  | 00078938  |
| ILX Resorts Incorporated<br>2111 East Highland Suite 210<br>Phoenix, AZ 85016  | Wells Fargo<br>100 West Washington<br>Phoenix, AZ 85003 |
| (35182) 980355   |   |
| PAY<br>NINETEEN THOUSAND EIGHT HUNDRED FOURTEEN AND 03 / 100 Dollars   | DATE<br>4/28/2003                                       |
| TO THE ORDER OF<br>GILA COUNTY TREASURER<br>PRIS KNUCKEY-RAILS<br>P.O. BOX 1093<br>GLOBE, AZ 85502   | CHECK NUMBER<br>078938                                  |
|  | AMOUNT<br>*****\$19,814.03                              |
| <br> |   |
| ⑈00078938⑈ ⑆121000248⑆4945007565⑈<br>⑈00078938⑈ ⑆121000248⑆4945007565⑈ ⑈0001981403⑈  |   |

|  |  |  |
|--|--|--|
| FEDERAL RESERVE NOTE<br>Document security includes copy-void safety, microprinting<br>and simulated watermark. | 8096020896 05/01/2003 4642 5 1<br>BANK ONE, NA-ARIZONA<br>BANK ONE, NA<br>1119013314<br>05012003<br>53310143 | WANTING THE BACK OF THIS CHECK TO BE<br>SIMULATED WATERMARK<br>PAY TO THE ORDER OF<br>BANK ONE, ARIZONA, NA<br>PHOENIX, ARIZONA<br>122100024<br>FOR DEPOSIT ONLY<br>GILA COUNTY TREASURER<br>1180047 |
| 20030505 00182 ETPA1<br>122105278<br>118001331   | 6004 42600   | DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE<br>MICR LINE   |

| CDVolID/CIMSKey | Account    | Serial Number | Amount     |
|-----------------|------------|---------------|------------|
| 20030530115701  | 4945007565 | 78938         | \$19814.03 |
| Bank ID         | Sequence   | Location      | Paid Date  |
| 10700543        | 626498564  | CD            | 05/05/2003 |

|                       |              |
|-----------------------|--------------|
| TAX ROLL NUMBER       | 35182        |
| PARCEL IDENTIFICATION | 913-81-000 7 |
| TAX AREA CODE         | 1000         |

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2002 TAX NOTICE AND PAYMENT INSTRUCTIONS.

913-81-000 7 35182

KOHL'S RANCH WATER CO  
JOHN B HOLBROOK/VP  
2111 E HIGHLAND  
#210  
PHOENIX AZ

85016

OK to pay  
T: P  
9/27/02

20026-11

KRWC  
ded  
9/26/02

| 2002 TAX SUMMARY (3)        |  |        |
|-----------------------------|--|--------|
| PRIMARY AD VALOREM TAX      |  | 567.00 |
| LESS STATE AID TO EDUCATION |  | 0.00   |
| NET PRIMARY AD VALOREM TAX  |  | 567.00 |
| SECONDARY AD VALOREM TAX    |  | 105.00 |
| SPECIAL DISTRICT TAX        |  | 0.00   |

PAY TOTAL OR HALF TAX

|               |        |
|---------------|--------|
| TOTAL TAX DUE | 672.00 |
| HALF TAX      | 336.00 |

DELINQUENT DATES

1st HALF NOV. 1, 2002  
\* 2nd HALF MAY 1, 2003

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

| PRIMARY PROPERTY TAX CALCULATION (1) |               |           |                |           |          |                |
|--------------------------------------|---------------|-----------|----------------|-----------|----------|----------------|
| ITEM                                 | LIMITED VALUE | ASSTMT. % | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| LAND, BLDGS, ETC.                    | 0             | 25.0      | 0              | 0         | 9.4502   | 0.00           |
| PERSONAL PROPERTY                    | 24,000        | 25.0      | 6,000          | 0         | 9.4502   | 567.02         |
| TOTALS                               | 24,000        |           | 6,000          | 0         |          | 567.02         |

| SECONDARY PROPERTY TAX CALCULATION (2) |                 |           |                |           |          |                |
|--|-----------------|-----------|----------------|-----------|----------|----------------|
| ITEM                                   | FULL CASH VALUE | ASSTMT. % | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| LAND                                   | 0               | 25.0      | 0              | 0         | 17.499   | 0.00           |
| BLDGS, ETC.                            | 0               | 0         | 0              | 0         | 0        | 0.00           |
| PERSONAL PROPERTY                      | 24,000          | 25.0      | 6,000          | 0         | 17.499   | 105.00         |
| TOTALS                                 | 24,000          |           | 6,000          | 0         |          | 105.00         |

| 2001-2002 TAX COMPARISON (4) |                               |              |                |            |            |            |  |
|------------------------------|-------------------------------|--------------|----------------|------------|------------|------------|--|
| AX CODE                      | TAX JURISDICTION              | 2002 PRIMARY | 2002 SECONDARY | 2002 TOTAL | 2001 TOTAL | DIFFERENCE |  |
| 2000                         | GILA COUNTY                   | 264.61       | 0.00           | 264.61     | 263.50     | 1.11       |  |
| 2002                         | SCHOOL EQUALIZATION           | 29.33        | 0.00           | 29.33      | 29.72      | -0.39      |  |
| 7010                         | PAYSON SD #10                 | 273.08       | 520.60         | 325.14     | 352.33     | -27.19     |  |
| 8150                         | GILA PUEBLO COMMUNITY COLLEGE | 0.00         | 349.40         | 349.40     | 352.00     | -2.60      |  |
| 1900                         | FIRE DISTRICT ASSISTANCE FUND | 0.00         | 6.00           | 6.00       | 5.98       | 0.02       |  |
| 4900                         | GILA COUNTY LIBRARY DISTRICT  | 0.00         | 12.00          | 12.00      | 11.95      | 0.05       |  |
| TOTALS                       |                               | 567.02       | 105.00         | 672.02     | 698.68     | -26.66     |  |

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

|                       |              |
|-----------------------|--------------|
| TAX ROLL NUMBER       | 35182        |
| PARCEL IDENTIFICATION | 913-81-000 7 |
| TAX AREA CODE         | 1000         |

RECEIPT REQUESTED ( )

KOHL'S RANCH WATER CO  
#210  
PHOENIX AZ

85016

\* TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2002 2ND HALF COUPON

|                 |     |        |
|-----------------|-----|--------|
| TO PAY 2ND HALF | PAY | 336.01 |
|-----------------|-----|--------|

NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2003



0491381000007200200000033601

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

|                       |              |
|-----------------------|--------------|
| TAX ROLL NUMBER       | 35182        |
| PARCEL IDENTIFICATION | 913-81-000 7 |
| TAX AREA CODE         | 1000         |

RECEIPT REQUESTED ( )

KOHL'S RANCH WATER CO  
#210  
PHOENIX AZ

85016

\* IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2002 1ST HALF COUPON

|                      |     |        |
|----------------------|-----|--------|
| TO PAY 1ST HALF ONLY | PAY | 336.01 |
| TO PAY FULL YEAR TAX | PAY | 672.02 |

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2002



0491381000007200200000033601

1/2 27756 A-27789 1/2 27790 27791 27792 A 27793 1/2 27794 27842  
 A 27856 27857 1/2 28941 (35365) 0980547  
 ILX Resorts Incorporated  
 2111 East Highland Suite 210  
 Phoenix, AZ 85016

Wells Fargo  
 100 West Washington  
 Phoenix, AZ 85003

00086513

|            |              |
|------------|--------------|
| DATE       | CHECK NUMBER |
| 10/24/2003 | 086513       |

PAY  
 NINETEEN THOUSAND THREE HUNDRED THREE AND 67 / 100 Dollars

TO THE ORDER OF  
 GILA COUNTY TREASURER  
 PRIS KNUCKEY-RALLS  
 P.O. BOX 1093  
 GLOBE, AZ 85502

AMOUNT  
 \*\*\*\*\*\$19,303.67

*Joseph P Martini*  
*Nancy J Stone*

⑈00086513⑈ ⑆121000248⑆4945007565⑈ ⑆0001930367⑈

⑆121000248⑆ ⑆0001930367⑈

Document security features: copy void safety, microprinting, and simulated watermark.

0097650153 10/27/2003 1765 5 1  
 BANK ONE, NA-ARIZONA

BANK ONE, NA  
 1119013314  
 10272043

54520417

6067 17193

122100024  
 FOR DEPOSIT ONLY  
 GILA COUNTY TREASURER  
 11804047

122105278

122105278

CDVolID/CIMSKey  
 20031031112701

Account  
 4945007565

Serial Number  
 86513

Amount  
 \$19303.67

Bank ID  
 10700543

Sequence  
 9530611453

Location  
 CD

Paid Date  
 10/29/2003



DESCRIPTION SECTION TWN RANG ACRES USE 5500  
TOTAL VALUE OF OPERATING PROPERTY

|                       |              |
|-----------------------|--------------|
| TAX ROLL NUMBER       | 35365        |
| PARCEL IDENTIFICATION | 913-81-000 7 |
| TAX AREA CODE         | 1000         |

20026-11

OK to pay  
T.P. 9/29/03

did  
9/29/03

IMPORTANT - SEE REVERSE SIDE  
FOR COMPLETE EXPLANATION OF  
YOUR 2003 TAX NOTICE AND  
PAYMENT INSTRUCTIONS.

913-81-000 7 35365

KOHL'S RANCH WATER CO  
JOHN B HOLBROOK/VP  
2111 E HIGHLAND  
#210  
PHOENIX

24689

AZ 85016

| 2003 TAX SUMMARY (3)        |  |       |
|-----------------------------|--|-------|
| PRIMARY AD VALOREM TAX      |  | 49234 |
| LESS STATE AID TO EDUCATION |  | 00    |
| NET PRIMARY AD VALOREM TAX  |  | 49234 |
| SECONDARY AD VALOREM TAX    |  | 5444  |
| SPECIAL DISTRICT TAX        |  | 00    |

PAY TOTAL OR HALF TAX

|               |       |
|---------------|-------|
| TOTAL TAX DUE | 54678 |
| HALF TAX      | 27339 |

DELINQUENT DATES  
\* 1st HALF NOV. 1, 2003  
2nd HALF MAY 1, 2004

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

| PRIMARY PROPERTY TAX CALCULATION (1) |               |         |                |           |          |                |
|--------------------------------------|---------------|---------|----------------|-----------|----------|----------------|
| TEM                                  | LIMITED VALUE | ASSMT.% | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| AND,BLDGS,ETC.                       | 0             | 250     | 0              | 0         | 9.3779   | 00             |
| PERSONAL PROPERTY                    | 21000         | 250     | 5250           | 0         | 9.3779   | 49234          |
| TOTALS                               | 21000         |         | 5250           | 0         |          | 49234          |

| SECONDARY PROPERTY TAX CALCULATION (2) |                 |         |                |           |          |                |
|--|-----------------|---------|----------------|-----------|----------|----------------|
| TEM                                    | FULL CASH VALUE | ASSMT.% | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| AND                                    | 0               | 250     | 0              | 0         | 10369    | 00             |
| BLDGS,ETC.                             | 0               | 0       | 0              | 0         | 0        | 00             |
| PERSONAL PROPERTY                      | 21000           | 250     | 5250           | 0         | 10369    | 5444           |
| TOTALS                                 | 21000           |         | 5250           | 0         |          | 5444           |

| 2002-2003 TAX COMPARISON (4) |                               |              |                |            |            |            |
|------------------------------|-------------------------------|--------------|----------------|------------|------------|------------|
| AX CODE                      | TAX JURISDICTION              | 2003 PRIMARY | 2003 SECONDARY | 2003 TOTAL | 2002 TOTAL | DIFFERENCE |
| 2000                         | GILA COUNTY                   | 23153        | 00             | 23153      | 26461      | -3308      |
| 2002                         | SCHOOL EQUALIZATION           | 2476         | 00             | 2476       | 2933       | -457       |
| 7010                         | PAYSON SD #10                 | 20304        | 3606           | 23910      | 32514      | -8604      |
| 8150                         | GILA PUEBLO COMMUNITY COLLEGE | 3301         | 00             | 3301       | 3494       | -193       |
| 1900                         | FIRE DISTRICT ASSISTANCE FUND | 00           | 525            | 525        | 600        | -75        |
| 4900                         | GILA COUNTY LIBRARY DISTRICT  | 00           | 1050           | 1050       | 1200       | -150       |
| 0001                         | NORTHERN ARIZONA VIT          | 00           | 263            | 263        | 00         | 263        |
| TOTALS                       |                               | 49234        | 5444           | 54678      | 67202      | -12524     |

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

EASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

|                       |              |
|-----------------------|--------------|
| TAX ROLL NUMBER       | 35365        |
| PARCEL IDENTIFICATION | 913-81-000 7 |
| TAX AREA CODE         | 1000         |

RECEIPT REQUESTED ( )

KOHL'S RANCH WATER CO  
#210  
PHOENIX

AZ85016

IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2003 2ND HALF COUPON

|                |     |        |
|----------------|-----|--------|
| O PAY 2ND HALF | PAY | 273.39 |
|----------------|-----|--------|

NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2004



0491381000007200300000027339

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

|                       |              |
|-----------------------|--------------|
| TAX ROLL NUMBER       | 35365        |
| PARCEL IDENTIFICATION | 913-81-000 7 |
| TAX AREA CODE         | 1000         |

RECEIPT REQUESTED ( )

KOHL'S RANCH WATER CO  
#210  
PHOENIX

AZ85016

IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2003 1ST HALF COUPON

|                      |     |        |
|----------------------|-----|--------|
| TO PAY 1ST HALF ONLY | PAY | 273.39 |
| TO PAY FULL YEAR TAX | PAY | 546.78 |

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2003



0491381000007200300000027339

COMPANY NAME Kohl's Ranch Water Company YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

|   |             |
|---|-------------|
| Federal Taxable Income Reported           | <u>Loss</u> |
| Estimated or Actual Federal Tax Liability | <u>None</u> |

|   |             |
|---|-------------|
| State Taxable Income Reported           | <u>Loss</u> |
| Estimated or Actual State Tax Liability | <u>None</u> |

Amount of Grossed-Up Contributions/Advances:

|   |           |
|---|-----------|
| Amount of Contributions/Advances        | <u>--</u> |
| Amount of Gross-Up Tax Collected        | <u>--</u> |
| Total Grossed-Up Contributions/Advances | <u>--</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Nancy J. Stone  
**SIGNATURE**

4/2/2004  
**DATE**

Nancy J. Stone  
**PRINTED NAME**

President  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

APR 05 2004

**VERIFICATION**

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

|   |   |
|---|---|
| COUNTY OF (COUNTY NAME)<br>Maricopa             | <b>ARIZONA CORPORATION COMMISSION<br/>DIRECTOR OF UTILITIES</b> |
| NAME (OWNER OR OFFICIAL) TITLE John B. Holbrook |   |
| COMPANY NAME Kohl's Ranch Water Company         |   |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2003 |

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**


**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:**

|   |
|---|
| Arizona Intrastate Gross Operating Revenues Only (\$) |
| \$ 11,428.10  |

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 749.54  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

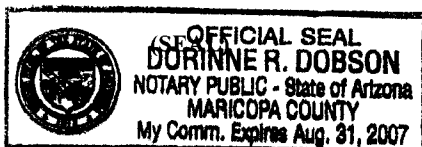
  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
602-957-2777  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 1st **DAY OF**

|                         |      |
|-------------------------|------|
| COUNTY NAME<br>MARICOPA |      |
| MONTH<br>April          | 2004 |



  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 05 2004

VERIFICATION

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|   |                      |
|---|----------------------|
| COUNTY OF (COUNTY NAME) Maricopa          |                      |
| NAME (OWNER OR OFFICIAL) John B. Holbrook | TITLE Vice President |
| COMPANY NAME Kohl's Ranch Water Company   |                      |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|             |           |              |
|-------------|-----------|--------------|
| MONTH<br>12 | DAY<br>31 | YEAR<br>2003 |
|-------------|-----------|--------------|

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

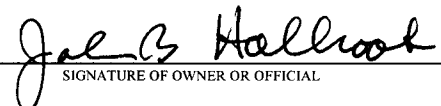
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 11,428.10

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 749.54  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
  
602-957-2777  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

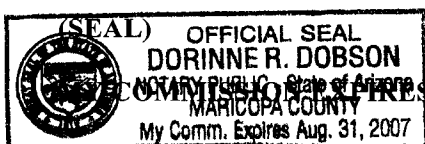
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1st

DAY OF

|   |      |
|---|------|
| NOTARY PUBLIC NAME<br>DORINNE R. DOBSON |      |
| COUNTY NAME<br>MARICOPA                 |      |
| MONTH<br>April                          | 2004 |



X   
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

8/31/07